



General Assembly

***Substitute Bill No. 1123***

*January Session, 2003*

***AN ACT CONCERNING ACCESS TO LOW-COST PRESCRIPTION DRUGS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2003*) (a) There is established,  
2       within the Connecticut Health and Educational Facilities Authority, a  
3       revolving loan program for the purpose of providing loans to federally  
4       qualified health centers to establish pharmacy facilities or a  
5       partnership with a community pharmacy. Such program shall be  
6       funded by the authority in an amount not to exceed five hundred  
7       thousand dollars and such amount shall be deposited in the account  
8       established pursuant to subsection (b) of this section. The program  
9       shall be administered by the authority to provide loans to federally  
10      qualified health centers for the cost of establishing a pharmacy facility  
11      or a partnership with a community pharmacy to serve as a centralized  
12      prescription drug distributor for federally qualified health centers that  
13      have established affordable pharmaceutical drug programs for  
14      qualified low income patients of such centers pursuant to Section 340B  
15      of P.L. 102-585. Not more than four pharmacy facilities may be  
16      established pursuant to this program.

17      (b) (1) There is established the federally qualified health centers loan  
18      account that shall contain any moneys required by law to be deposited  
19      in the account pursuant to subsection (a) of this section, and may  
20      contain any other funds as provided in subdivision (2) of this

21 subsection. Any balance remaining in the account at the end of any  
22 fiscal year shall be carried forward in the account for the fiscal year  
23 next succeeding. Payments made on any loans made pursuant to this  
24 section shall be deposited in the account.

25 (2) The authority may accept contributions from any source, public  
26 or private, for deposit in the account for purposes of such program.

27 (c) A federally qualified health center may apply for a loan pursuant  
28 to this section for not more than one hundred twenty-five thousand  
29 dollars. Such loan shall be for a period of not less than four years, and  
30 not more than ten years. The proceeds of such loan shall be used for  
31 the purchase or lease of computers, automated medication dispensing  
32 equipment, inventory and other costs associated with the start-up of a  
33 pharmacy facility.

34 (d) The authority shall adopt procedures, in accordance with  
35 chapter 12 of the general statutes, to carry out the provisions of this  
36 section.

37 Sec. 2. (NEW) (*Effective October 1, 2003*) (a) The Commissioner of  
38 Social Services shall assist any federally qualified health center that is  
39 applying for a loan pursuant to section 1 of this act by providing  
40 nonindividual identifying information concerning potential  
41 participants in the affordable pharmaceutical drug program.

42 (b) Not later than October 1, 2004, and annually thereafter, the  
43 Commissioner of Social Services shall submit a report, in accordance  
44 with section 11-4a of the general statutes, to the joint standing  
45 committees of the General Assembly having cognizance of matters  
46 relating to public health, human services and appropriations and the  
47 budgets of state agencies, providing an estimate of the savings to the  
48 state if all federally qualified health centers were participating in an  
49 affordable pharmaceutical drug program, and the actual savings to the  
50 state from affordable pharmaceutical drug programs established by  
51 federally qualified health centers.

52       Sec. 3. Section 10a-180 of the general statutes is repealed and the  
53       following is substituted in lieu thereof (*Effective October 1, 2003*):

54       The purpose of the authority shall be to assist institutions for higher  
55       education, health care institutions, nursing homes, child care or child  
56       development facilities, and qualified nonprofit organizations in the  
57       construction, financing and refinancing of projects, and [for this  
58       purpose] to provide loans pursuant to the revolving loan program  
59       established in section 1 of this act, and for these purposes the authority  
60       is authorized and empowered:

61       [(a)] (1) To have perpetual succession as a body politic and  
62       corporate and to adopt bylaws for the regulation of its affairs and the  
63       conduct of its business;

64       [(b)] (2) To adopt an official seal and alter the same at pleasure;

65       [(c)] (3) To maintain an office at such place or places as it may  
66       designate;

67       [(d)] (4) To sue and be sued in its own name, and plead and be  
68       impleaded;

69       [(e)] (5) To determine the location and character of any project to be  
70       financed under the provisions of this chapter, and to construct,  
71       reconstruct, renovate, replace, maintain, repair, operate, lease, as lessee  
72       or lessor, and regulate the same, to enter into contracts for any or all of  
73       such purposes, to enter into contracts for the management and  
74       operation of a project, and to designate a participating institution for  
75       higher education, a participating health care institution, a participating  
76       corporation, a participating nursing home or a participating qualified  
77       nonprofit organization as its agent to determine the location and  
78       character of a project undertaken by such participating institution for  
79       higher education, by such participating health care institution, by such  
80       participating corporation, by such participating nursing home or by  
81       such participating qualified nonprofit organization under the  
82       provisions of this chapter and as the agent of the authority, to

83 construct, reconstruct, renovate, replace, maintain, repair, operate,  
84 lease, as lessee or lessor, and regulate the same, and, as the agent of the  
85 authority, to enter into contracts for any or all of such purposes,  
86 including contracts for the management and operation of such project;

87     [(f)] (6) To issue bonds, bond anticipation notes and other  
88 obligations of the authority for any of its corporate purposes, and to  
89 fund or refund the same, all as provided in this chapter;

90     [(g)] (7) Generally, to fix and revise from time to time and charge  
91 and collect rates, rents, fees and charges for the use of and for the  
92 services furnished or to be furnished by a project or any portion  
93 thereof and to contract with any person, partnership, association or  
94 corporation or other body public or private in respect thereof;

95     [(h)] (8) To establish rules and regulations for the use of a project or  
96 any portion thereof and to designate a participating institution for  
97 higher education, a participating health care institution, a participating  
98 corporation, a participating nursing home or qualified nonprofit  
99 organization as its agent to establish rules and regulations for the use  
100 of a project undertaken by such participating institution for higher  
101 education, by such participating health care institution, by such  
102 participating corporation or by such participating nursing home or by  
103 such participating qualified nonprofit organization;

104     [(i)] (9) To employ consulting engineers, architects, attorneys,  
105 accountants, construction and financial experts, superintendents,  
106 managers, and such other employees and agents as may be necessary  
107 in its judgment, and to fix their qualifications, duties and  
108 compensation;

109     [(j)] (10) To receive and accept from any public agency insurance,  
110 loans or grants for or in aid of the construction of a project or any  
111 portion thereof, and to receive and accept loans, grants, aid or  
112 contributions from any source of either money, property, labor or  
113 other things of value, to be held, used and applied only for the  
114 purposes for which such loans, grants, aid and contributions are made;

115       [(k)] (11) To mortgage any project and the site thereof for the benefit  
116 of the holders of bonds issued to finance such project;

117       [(l)] (12) To make loans to any participating institution for higher  
118 education, to any participating health care institution, to any  
119 participating corporation, to any participating nursing home and to  
120 any participating qualified nonprofit organization for the cost of a  
121 project in accordance with an agreement between the authority and  
122 such participating institution for higher education, such participating  
123 health care institution, such participating corporation, such  
124 participating nursing home or such participating qualified nonprofit  
125 organization and to utilize the services of an agent in making such  
126 loans or to agree to purchase federally guaranteed securities from any  
127 third parties making such loans; provided no such loan shall exceed  
128 the total cost of the project as determined by the participating  
129 institution for higher education, the participating health care  
130 institution, the participating corporation, the participating nursing  
131 home or the participating qualified nonprofit organization, and  
132 approved by the authority;

133       [(m)] (13) To make loans to a participating institution for higher  
134 education, to a participating health care institution, to a participating  
135 corporation, to a participating nursing home or to a participating  
136 qualified nonprofit organization, to refinance or refund outstanding  
137 obligations or mortgages on the project, or advances issued for the cost  
138 of a project, made or given by such participating institution for higher  
139 education, such participating health care institution, such participating  
140 corporation, such participating nursing home or such participating  
141 qualified nonprofit organization, to utilize the services of an agent in  
142 making such loans or to agree to purchase federally guaranteed  
143 securities from any third parties making such loans and to create a  
144 security interest in revenues to be pledged to the authority;

145       [(n)] (14) To charge to and equitably apportion among participating  
146 institutions for higher education, participating health care institutions,  
147 participating corporations, participating nursing homes and

148 participating qualified nonprofit organizations its administrative costs  
149 and expenses incurred in the exercise of the powers and duties  
150 conferred by this chapter;

151     ~~[(o)]~~ (15) To acquire and to agree to acquire any federally  
152 guaranteed security and to pledge or otherwise use any such federally  
153 guaranteed security in such manner as the authority deems in its best  
154 interest to secure or otherwise provide a source of repayment on any of  
155 its bonds or notes or to agree to make a loan to any participating  
156 institution for higher education, participating health care institution,  
157 participating corporation, participating nursing home or participating  
158 qualified nonprofit organization for the purpose of acquiring and  
159 entering into commitments to acquire any federally guaranteed  
160 security; provided that any agreement entered into pursuant to this  
161 subdivision may contain such provisions as are deemed necessary or  
162 desirable by the authority for the security or protection of the authority  
163 or the holders of its bonds or notes; provided further that the  
164 authority, prior to making any such acquisition, commitment or loan,  
165 shall agree with any such participating institution for higher  
166 education, participating health care institution, participating  
167 corporation, participating nursing home or participating qualified  
168 nonprofit organization or any other appropriate institution or  
169 corporation to require that the proceeds derived from the acquisition  
170 of any such federally guaranteed security will be used for the purpose  
171 of financing or refinancing any project for such participating  
172 institution for higher education, participating health care institution,  
173 participating corporation, participating nursing home or participating  
174 qualified nonprofit organization;

175     ~~[(p)]~~ (16) To do all things necessary or convenient to carry out the  
176 purposes of this chapter. In carrying out the purposes of this chapter,  
177 the authority may undertake a project for two or more participating  
178 institutions for higher education jointly, two or more participating  
179 health care institutions jointly, two or more participating corporations  
180 jointly, two or more participating nursing homes jointly or two or  
181 more participating qualified nonprofit organizations jointly, or for any

182 combination thereof of participating institutions for higher education,  
183 participating health care institutions, participating corporations,  
184 participating nursing homes or participating qualified nonprofit  
185 organizations, and, thereupon, all other provisions of this chapter shall  
186 apply to and for the benefit of the authority and such joint participants;

187     [(q)] (17) To make loans to any participating health care institution,  
188 to any participating institution for higher education, to any  
189 participating corporation, or to any participating qualified nonprofit  
190 organization which is organized, controlled or supervised by a health  
191 care institution or an institution of higher education to finance or  
192 refinance the cost of a project to be used to provide housing and  
193 auxiliary facilities for staff members, employees or students of any  
194 such health care institution or institution of higher education and their  
195 immediate families, for physically or mentally handicapped persons or  
196 for any one or more of the above purposes;

197     [(r)] (18) To make and enter into all contracts and agreements  
198 necessary or incidental to the performance of its duties and the  
199 execution of its powers under its enabling legislation, including  
200 contracts and agreements for such professional services as financial  
201 consultants, bond counsel, underwriters, technical specialists, as the  
202 board of directors shall deem necessary;

203     [(s)] (19) To invest any funds not needed for immediate use or  
204 disbursement, including reserve funds, in obligations issued or  
205 guaranteed by the United States of America or the state of Connecticut,  
206 including the state's Short-Term or Long-Term Investment Fund, and  
207 in other obligations which are legal investments for savings banks in  
208 this state, or in investment agreements with financial institutions  
209 whose short-term obligations are rated within the top two rating  
210 categories of any nationally recognized rating service or of any rating  
211 service recognized by the state Commissioner of Banking, or  
212 investment agreements fully secured by obligations of, or guaranteed  
213 by, the United States or agencies or instrumentalities of the United  
214 States or in securities or obligations which are legal investments for

215 savings banks in this state, subject to repurchase agreements in the  
216 manner in which such agreements are negotiated in sales of securities  
217 in the market place, provided that the authority shall not enter into any  
218 such agreement with any securities dealer or bank acting as a securities  
219 dealer unless such dealer or bank is included in the list of primary  
220 dealers, effective at the time of such agreement, as prepared by the  
221 Federal Reserve Bank of New York;

222 [(t)] (20) To adopt regular procedures for exercising its power under  
223 its enabling legislation not in conflict with existing statutes.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>October 1, 2003</i>

**PH**            *Joint Favorable Subst.*

**HS**            *Joint Favorable*